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NEWS RELEASE

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A.G. Files Criminal Fraud Charges Against Promoters Latex Glove Factoring Program ***Weber County promoters promised 15% return in just three months ...***

OGDEN, Utah – The Utah Attorney General filed criminal charges today against Kerry D. Pipkin, age 47, and Laurie Ann Pipkin, age 38, of South Ogden. The Pipkins are accused of defrauding a pair of investors in Idaho of \$10,000, promising 15% interest in three months. The Pipkins are each charged with four felony counts: securities fraud, theft, sales by an unlicensed broker-dealer or agent, and sales of an unregistered security. Two of the counts are third degree felonies and the other two are second degree felonies. If convicted, they could be sentenced to as much as 40 years in prison.

According to the charges, the Pipkins told the investors that they knew of a company that purchased the accounts receivable of Asian latex glove manufacturers at a discount. When the purchasers of the latex gloves paid for the product, the company supposedly would earn a significant profit and would pay a 15% profit to the investors within three months. The Pipkins said the investment was a “sure thing,” that the investment was secured by the latex gloves that were in transit, and that other investors were earning huge profits.

On January 28, 2002, the day after the investors gave \$10,000 to the Pipkins to participate in the latex glove investment, the SEC filed suit against the California company (J.T. Wallenbrock) that claimed to be factoring the latex gloves. All of Wallenbrock’s assets were frozen. The SEC alleged that none of the money taken from investors had been used to finance sales of latex gloves. But, the criminal charges allege the Pipkins did not send any of the investment money to Wallenbrock. Instead, the investor money was used to pay personal expenses of the Pipkins including credit card payments, cell phone bills, mortgage payments, and to pay child support.

The investors were given promissory notes that had a 15% interest rate. The notes were issued by Executive Assets and signed by Kerry Pipkin. When the investors discovered that Wallenbrock had been closed by the SEC, they asked for a return of their investment. They received none of their money back. In August 2004, Kerry Pipkin filed for bankruptcy. On November 14, the Utah Division of Securities initiated administrative proceedings seeking to order the Pipkins and two of their companies to cease and desist selling securities unlawfully.

Note: Criminal defendants are presumed innocent until they are found guilty at trial or plead to criminal charges.